

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**COSTA RICA**

**TROPICAL STORM NATE EMERGENCY RESPONSE PROGRAM**

**(CR-L1135)**

**EXECUTIVE SUMMARY**

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<b>Borrower:</b>	Republic of Costa Rica	
<b>Executing agency:</b>	National Risk Prevention and Emergency Response Committee (CNE)	
<b>Financing:</b>	IDB	US\$20 million
	Total:	US\$20 million
<b>Terms:</b>	Amortization period:	25 years
	Grace period:	5.5 years
	Original WAL:	15.25 years
	Disbursement period:	12 months
	Commitment period:	9 months
<b>Interest rate:</b>	Based on LIBOR	
<b>Inspection and supervision:</b>	(*)	
<b>Credit fee:</b>	()	
<b>Currency:</b>	United States dollars from the Bank's Ordinary Capital. Financial product: Flexible Financing Facility (FFF) (**)	
<b>Objective:</b>	<p>The program's objective is to restore a portion of the road infrastructure and basic water supply services damaged by Tropical Storm Nate and the floods it caused.</p> <p>This is expected to support the transition process of the affected population (paragraph 5.4) towards resumption of its regular economic and social activities and to reestablish the level of access to basic public services.</p>	
<b>Special contractual conditions:</b>	As special contractual conditions precedent to the first disbursement, a firm will be hired to perform the reasonable assurance audit and the updated project profiles will be submitted (paragraph 5.29).	

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\* The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.

\*\* Under the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency and interest rate conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

<b>Exceptions to the Bank's policies:</b>	None.
<b>Environmental and social review:</b>	Given the nature of this program, no prior environmental impact assessments will be conducted. However, any activities undertaken will comply with national regulatory standards and specifications for the prevention and mitigation of environmental and social impacts (paragraph 5.27).
<b>Benefits:</b>	Program resources will finance activities that will generate benefits for the families and the economy in areas affected by the recent floods. The main indicators programmed are as follows: (i) rehabilitation of 543 kilometers of national roads and 255 meters of bridges along main roads in six of the country's seven affected provinces. The direct beneficiaries of the road infrastructure rehabilitation works are approximately 1.14 million people; and (ii) repair of 287 water supply systems and restoration of water supply services for 28,500 people (paragraph 5.9). The program will directly benefit a total of about 1.16 million people.
<b>Retroactive financing:</b>	The Bank may retroactively finance against the loan proceeds up to US\$20 million (100% of the proposed amount of the loan <sup>***</sup> ), as this is an emergency program and the estimated expenditures far exceed the loan amount, for eligible expenditures—pursuant to the procurement plan—incurred by the borrower prior to the loan approval date, in the form of works, goods, nonconsulting services, and consulting services, provided that they satisfied requirements substantially analogous to those established in the loan contract. Such expenditures must have been made on or after 5 October 2017 (the date on which the national emergency was declared), up to the date of approval of the operation by the Bank. Please refer to <a href="#">optional electronic link 2</a> and <a href="#">optional electronic link 3</a> for details on the investments prioritized during the mission undertaken to design the program, through a review of the documentation and field visits, for the immediate resumption of basic service delivery to the disaster-affected population (paragraph 5.22).
<b>Procurement:</b>	Program procurement will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-9) (paragraph 5.23).

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<sup>\*\*\*</sup> This figure was estimated on the basis of preliminary information presented to the special mission and may be modified at the time of reimbursement requests based on supporting information audited by a Bank-eligible firm.